The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center January 1992

Consumer Confidence Survey

December Results

Consumers Remain Wary

The Board's Consumer Confidence Index (1985 = 100), which had registered sharp drops in October and November, remained substantially unchanged in December. The latest Index reading is 52.4, about the same as the revised November figure. In December, consumers' assessment of prevailing conditions was less positive than in November, but expectations for the months ahead were more optimistic than previously.

On the issue of current business conditions, fewer respondents than last time now say they are "good." On the issue of employment, only 4 percent of consumers report that jobs are "plentiful," 48 percent report that they are "hard to get." These readings are somewhat more negative than in the preceding survey.

However, in looking ahead to the next six months, consumers are a bit less pessimistic than a month earlier. In November, the number of respondents that said business conditions would "worsen" outnumbered those that expected them to be "better." In the December survey, however, there are as many optimistic as pessimistic responses to this question. On the issue of the future availability of jobs, opinion is also slightly more positive than last time. Still, about twice as many people fear that there will be fewer jobs than more jobs in the months ahead. Concerning their own families' financial situation six months hence, there has been little change.

In the December survey, plans to buy a car within six months were indicated by 5.8 percent of all respondents, down from 6.6 percent earlier. The latest figure is also lower than that of December a year ago. Plans to buy a home were indicated by 2.9 percent of all survey participants, the same number as in November. Only 28.6 percent of respondents plan to buy a major appliance, a moderate decline from the preceding month.

Jobs clearly continue to be the consumer's major worry. About ten times as many respondents say that jobs are "hard to get" than those that report they are "plentiful." Similarly, in their expectations for employment opportunities in months ahead, people continue to be pessimistic. These concerns are realistic, given the continued high level of claims for unemployment insurance, and the planned lay-offs announced by some of the nation's major businesses.

The unchanged reading of the Consumer Confidence Index in December, following the free-fall experienced in October-November, is good news. Still, the news is hardly good enough to be reassuring, given the continued deflated level of consumer sentiment. Clearly, a concerned consumer is a cautious customer. An appreciable improvement in the consumer's spirits is a prerequisite for economic recovery.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business Employment Income

All series seasonally adjusted	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov(r)	Dec(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	61.2	55.1	59.4	81.1	79.4	76.4	78.0	77.7	76.1	72.9	60.1	52.7	52.4
Present Situation	63.3	54.7	53.1	51.7	48.9	47.8	43.7	43.8	45.1	39.1	31.0	27.1	21.8
Expectations	59.8	55.3	63.6	100.7	99.7	95.5	100.9	100.3	96.8	95.4	79.5	69.7	72.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	13.3	11.1	11.7	11.6	11.7	11.8	10.7	12.0	12.1	11.2	9.3	9.6	7.3
Bad	30.3	34.4	33.3	34.2	35.7	37.2	38.8	37.3	37.4	39.7	40.7	48.4	47.3
Normal	56.4	54.5	55.0	54.2	52.6	51.0	50.5	50.7	50.5	49.1	50.0	42.0	45.4
Employment													
Jobs plentiful	12.4	11.4	10.0	10.4	9.4	9.8	8.7	7.8	8.6	7.2	5.5	5.1	4.1
Jobs not so plentiful	55.9	55.5	56.8	53.9	55.1	52.4	53.8	54.6	52.8	52.8	51.0	47.8	47.9
Jobs hard to get	31.7	33.1	33.2	35.7	35.5	37.8	37.5	37.6	38.6	40.0	43.5	47.1	48.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	12.1	11.8	14.4	27.7	25.2	24.4	27.7	24.4	25.3	23.0	18.9	17.0	18.8
Worse	25.6	28.1	24.3	10.6	9.4	11.3	9.6	9.5	10.2	10.8	14.0	19.3	18.5
Same	62.3	60.1	61.3	61.7	65.4	64.3	62.7	66.1	64.5	66.2	67.1	63.7	62.7
Employment													
More jobs	9.9	9.0	11.6	20.8	19.4	18.9	21.0	19.9	18.8	17.7	14.8	12.6	13.9
Fewer jobs	33.9	35.3	31.4	19.1	17.9	18.6	17.4	18.1	18.5	20.1	26.0	28.1	27.7
Same	56.2	55.7	57.0	60.1	62.7	62.5	61.6	62.0	62.7	62.2	59.2	59.3	58.4
Income													
Increase	22.3	19.8	20.9	23.3	20.7	21.1	20.0	23.0	20.6	23.6	21.3	19.3	21.3
Decrease	10.4	11.1	11.6	8.7	8.9	10.1	9.8	9.0	9.9	8.6	11.6	11.8	13.4
Same	67.3	69.1	67.5	68.0	70.4	68.8	70.2	68.0	69.5	67.8	67.1	68.9	65.3
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.2	6.0	7.5	6.6	7.7	6.9	6.2	6.4	6.5	7.4	7.5	6.6	5.8
New	2.9	3.0	3.7	3.3	4.0	3.2	3.1	4.0	3.5	3.4	3.2	2.6	3.1
Used	2.8	2.4	3.0	2.6	3.1	3.0	2.8	2.1	2.7	3.0	3.3	3.0	2.0
Uncertain	0.5	0.6	0.8	0.7	0.6	0.7	0.3	0.3	0.3	1.0	1.0	1.0	0.7
Home													
Yes	2.7	2.6	3.0	4.2	3.0	2.8	2.8	2.9	2.9	3.4	3.3	2.9	2.9
New	0.6	0.7	0.8	1.1	0.8	0.9	0.6	0.5	0.7	0.8	0.6	0.8	0.6
Lived in	1.5	1.3	1.5	2.1	1.5	1.4	1.6	2.0	1.4	1.7	1.9	1.5	1.6
Uncertain	0.6	0.6	0.7	1.0	0.7	0.5	0.6	0.4	0.8	0.9	0.8	0.6	0.7
Major appliances													
Total plans	26.9	27.4	28.0	32.5	27.8	26.9	24.7	27.9	29.5	31.6	28.0	29.4	28.6
Refrigerator	4.1	4.4	4.9	5.3	3.6	4.0	3.5	4.0	4.6	5.9	4.2	4.4	4.4
Washing machine	3.5	3.9	4.3	4.6	3.8	3.2	3.5	4.4	3.7	3.4	4.3	3.7	4.0
TV Set	7.1	6.9	6.6	8.5	6.7	7.0	5.0	6.4	7.7	7.5	6.9	7.0	7.0
Vacuum Cleaner	4.7	5.0	4.6	5.5	5.3	5.2	4.8	4.4	5.3	6.0	4.7	5.9	5.1
Range	3.0	2.7	2.9	2.9	2.7	2.7	2.8	2.9	2.4	2.8	3.1	2.7	2.6
Clothes dryer	3.0	2.9	3.1	4.0	3.8	3.2	3.4	3.2	3.4	3.1	3.2	3.0	3.7
Air conditioner	1.5	1.6	1.6	1.7	1.9	1.6	1.7	2.6	2.4	2.9	1.6	2.7	1.8
Carpet	5.6	6.2	5.7	6.8	5.9	6.7	6.3	6.7	5.6	6.7	5.2	5.6	4.9
Vacation Intended Within Six Months: Percent													
Vacation Intended	47.4		45.8		47.3		45.9		46.6		49.1		47.3
Destination													
U.S.	41.4		41.0		41.8		40.6		40.6		42.7		41.9
Foreign country	7.3		6.4		7.1		6.4		7.8		7.8		6.9
Means of Travel													
Automobile	27.9		28.5		28.4		28.2		28.2		30.8		27.4
Airplane	17.5		16.3		17.8		17.7		17.2		17.0		16.8
Other	3.7		3.9		4.4		3.0		4.4		3.6		4.6

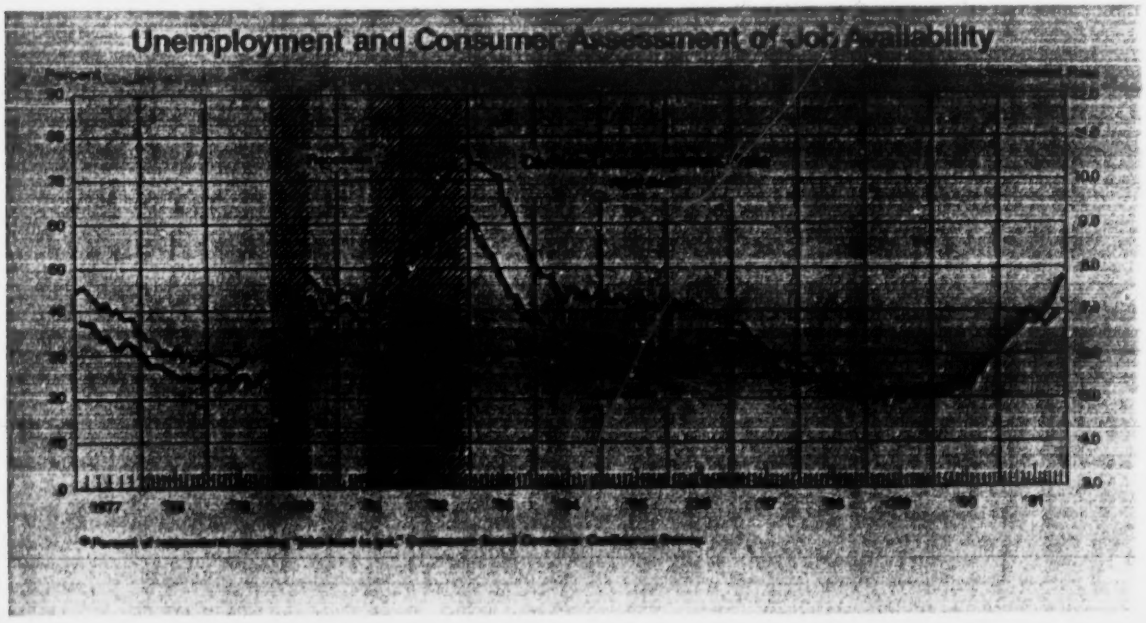
(p)—preliminary (r)—revised

The Conference Board, 845 Third Avenue, New York, New York 10022
The Conference Board Europe, Avenue Louise, 207-Bte 5, B-1050 Brussels, Belgium
The Conference Board of Canada, 255 Smyth Road, Ottawa, Ontario, K1H-8M7

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov(r)	Dec(p)	AVERAGE: Oct., Nov., Dec. 1990	1991	Percent Change
NEW ENGLAND																
Consumer Confidence Index	26.9	29.6	37.3	53.5	52.1	49.8	51.2	47.9	57.6	51.2	37.2	33.4	32.6	25.4	34.4	35.5
Present Situation	8.8	6.5	3.6	3.1	5.5	6.5	4.2	5.0	7.5	4.6	2.0	3.3	4.5	9.6	3.2	-66.3
Expectations	38.9	45.0	59.8	87.1	83.2	78.7	82.5	76.6	91.1	82.3	60.7	53.5	51.4	35.9	55.2	53.5
MIDDLE ATLANTIC																
Consumer Confidence Index	47.3	46.2	48.9	72.6	66.0	65.3	65.5	60.1	61.7	61.7	47.1	37.0	38.9	50.7	41.0	-19.1
Present Situation	48.2	38.4	33.6	33.3	27.5	36.1	25.4	25.0	24.7	21.6	19.8	15.8	11.7	58.5	15.7	-73.1
Expectations	46.8	51.4	59.1	98.8	91.6	84.8	92.3	83.5	86.3	88.5	65.3	51.2	57.1	45.5	57.9	27.2
EAST NORTH CENTRAL																
Consumer Confidence Index	60.9	56.4	55.0	80.8	77.6	72.6	77.9	83.3	72.6	72.5	67.7	54.4	54.5	66.4	58.9	-11.3
Present Situation	80.6	66.7	49.9	53.4	52.7	47.4	51.8	54.2	49.9	44.6	39.8	32.3	23.8	89.7	32.0	-64.4
Expectations	47.8	49.5	58.5	99.0	94.2	89.4	95.3	102.7	87.7	91.2	86.4	69.2	75.0	50.9	76.9	51.1
WEST NORTH CENTRAL																
Consumer Confidence Index	54.3	61.1	54.5	76.5	71.6	73.7	74.5	73.4	70.4	74.5	68.2	52.3	54.4	60.8	58.3	-4.2
Present Situation	62.3	65.7	56.2	53.6	51.5	60.7	48.3	50.3	52.6	57.9	47.8	42.8	33.2	76.1	41.2	-45.8
Expectations	49.0	58.0	53.3	91.9	85.0	82.4	92.0	88.8	82.3	85.6	81.8	58.7	68.5	50.7	69.7	37.6
SOUTH ATLANTIC																
Consumer Confidence Index	63.5	59.2	69.9	86.0	85.8	84.4	86.4	85.8	84.0	84.6	68.4	60.3	53.2	69.0	60.6	-12.1
Present Situation	74.5	63.4	59.3	44.5	55.3	47.4	51.1	47.3	50.7	53.9	34.6	29.8	22.2	85.9	28.8	-66.4
Expectations	56.1	56.4	77.0	113.7	106.2	109.1	109.9	111.5	106.2	105.0	91.0	80.6	73.8	57.7	81.8	41.8
EAST SOUTH CENTRAL																
Consumer Confidence Index	64.9	50.7	58.5	85.9	77.1	61.7	73.2	79.5	72.9	67.7	60.7	60.8	56.6	56.2	59.4	5.6
Present Situation	63.4	39.2	50.4	45.8	39.7	37.5	42.6	44.7	50.8	32.0	40.3	40.6	42.0	56.8	41.0	-27.9
Expectations	65.8	58.4	63.9	112.6	102.1	77.9	93.7	102.7	87.6	91.6	74.3	74.3	66.3	55.8	71.7	28.4
WEST SOUTH CENTRAL																
Consumer Confidence Index	70.0	60.3	66.5	84.3	75.8	73.0	76.3	67.5	65.4	73.7	60.8	60.7	50.8	68.4	57.4	-16.1
Present Situation	54.3	42.1	40.0	45.7	43.3	43.4	40.4	34.7	36.7	39.6	30.1	32.2	23.4	48.5	28.5	-41.1
Expectations	80.4	72.4	84.2	110.0	97.5	92.8	100.2	89.4	84.5	96.5	81.2	79.8	69.0	81.7	76.7	-6.2
MOUNTAIN																
Consumer Confidence Index	77.1	67.9	65.8	83.2	98.1	81.5	95.3	86.3	94.2	86.8	84.0	68.2	66.6	69.4	72.9	5.1
Present Situation	58.7	51.4	38.4	58.9	58.8	48.9	57.9	61.7	53.3	58.4	67.0	35.3	40.1	56.9	47.4	-16.6
Expectations	89.3	78.9	84.0	99.5	124.3	103.3	120.2	102.7	121.5	105.8	95.3	90.2	84.2	77.7	89.9	15.7
PACIFIC																
Consumer Confidence Index	80.0	70.3	84.9	101.1	95.8	91.0	89.5	90.6	87.2	81.2	74.0	62.9	52.8	86.7	63.2	-27.0
Present Situation	113.2	78.1	94.3	85.8	72.0	82.4	77.5	73.4	72.9	62.6	53.8	39.4	29.1	122.4	40.8	-66.7
Expectations	57.9	65.1	78.6	111.3	111.6	96.8	97.5	102.1	96.8	93.5	87.4	78.6	68.7	62.8	78.2	24.5

*** Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.**



Inflation Interest Rates Stock Prices

Not Seasonally Adjusted	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov(r)	Dec(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate Average	5.8	5.5	5.2	4.7	4.8	4.7	4.5	4.8	4.7	4.6	4.7	4.7	4.8
Interest Rates													
Higher	49.8	33.4	34.4	42.8	45.5	35.3	45.9	50.7	46.9	41.8	37.0	34.0	33.8
Same	19.9	20.8	22.2	25.3	27.9	29.2	29.6	27.9	27.5	30.2	27.3	25.2	27.1
Lower	30.3	45.8	43.4	31.9	26.6	35.5	24.5	21.4	25.6	28.0	35.7	40.8	39.1
Stock Prices													
Increase	27.4	26.3	37.8	46.6	42.8	41.7	43.7	41.8	39.3	39.5	35.8	33.9	29.8
Same	30.0	29.9	31.1	31.7	35.1	36.5	34.0	34.8	36.1	37.0	37.5	35.9	34.0
Decrease	42.6	43.8	31.1	21.7	22.1	21.8	22.3	23.4	24.6	23.5	26.7	30.2	36.2

All series seasonally adjusted	1990 Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov(r)	Dec(p)	3 mos. Percent Change*
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	73.5	66.5	65.2	90.6	92.9	92.7	87.7	91.0	92.4	86.7	74.0	65.0	65.8	-24.1
35-54	61.9	56.8	62.5	82.0	77.7	77.9	78.5	79.9	77.1	70.2	58.8	52.4	54.5	-27.1
55 and over	50.7	42.5	50.0	69.4	70.0	63.2	67.9	64.9	61.7	61.6	48.4	42.7	41.6	-29.5
HOUSEHOLD INCOME														
Under $15,000	54.2	41.4	47.0	60.3	62.1	57.8	53.3	58.2	51.7	53.1	45.1	33.0	38.7	-28.4
$15,000-24,999	55.4	49.4	54.9	72.1	76.5	75.4	71.0	67.9	78.4	69.3	56.2	51.4	47.6	-28.0
$25,000-34,999	63.0	59.3	61.9	85.3	79.5	83.1	81.6	80.6	80.4	73.5	57.0	53.3	52.6	-30.5
$35,000-49,999	64.7	63.3	64.8	87.9	83.4	77.9	88.7	85.9	81.4	78.4	69.5	58.2	55.9	-25.3
$50,000 and over	69.0	64.6	69.0	98.2	94.9	89.5	93.7	93.8	89.0	84.4	70.0	65.1	63.1	-25.8

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.